

# HOUSE BILL REPORT

## HB 2070

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**As Reported by House Committee On:**  
Commerce & Labor

**Title:** An act relating to authorizing horse racing handicapping contests for patrons of a class 1 racing association live race meet.

**Brief Description:** Authorizing horse racing handicapping contests.

**Sponsors:** Representatives Cody, Condotta, Wood and Dunn.

**Brief History:**

**Committee Activity:**

Commerce & Labor: 2/21/05, 2/23/05 [DPS].

**Brief Summary of Substitute Bill**

- Exempts from the law regulating horse race meets and from Washington Horse Racing Commission rules, Commission-authorized handicap contests involving the outcome of multiple horse races, and allows the handicap contests to be conducted by a licensed class 1 racing association for patrons at a live-race meet.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Sump, Assistant Ranking Minority Member; Crouse, Hudgins and McCoy.

**Staff:** Rebekah Ward (786-7106).

**Background:**

The Legislature established the Washington Horse Racing Commission (Commission) in 1933 to license, regulate, and supervise all race meets and parimutuel betting. It is unlawful for any person to hold any race meet without having first obtained and having in force and effect a license issued by the Commission.

A class 1 racing association is defined as a licensee approved by the Commission to conduct during each 12-month period at least 40 days of live racing. After Commission approval, a class 1 racing association may conduct parimutuel wagering at a satellite location or locations within the state of Washington. Thereafter, the class 1 racing association license must have conducted at least one full live racing season, and must hold a live race meet within each succeeding 12-month period to maintain eligibility to continue to participate in parimutuel

wagering at a satellite location or locations. The sale of parimutuel pools at satellite locations must be conducted simultaneous to all parimutuel wagering activity conducted at the licensee's live racing facility in the state, and the Commission's authority to approve particular locations is subject to specific limitations.

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**Summary of Substitute Bill:**

Handicap contests involving the outcome of multiple horse races authorized by the Washington Horse Racing Commission are exempted from the law regulating Commission rules. The handicap contests are allowed to be conducted by a licensed class 1 racing association for patrons at live-race meets.

**Substitute Bill Compared to Original Bill:**

The original bill exempted class 1 racing associations conducting handicap contests from the law regulating Horse Racing Commission rules and regulations. The substitute bill exempts class 1 racing associations from the law regulating Gambling Commission rules and regulations, but not the Horse Racing Commission rules and regulations.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** Handicapping contests are not covered in chapter 67.16 RCW currently, but they are held without a fee. Parimutuel handicapping contests are used as a trade stimulant whereby patrons predict the outcomes of races, and the money that is bet on the outcomes goes into a parimutuel pool. The most successful in the handicap contest wins a flat amount determined in advance.

The way that this bill is drafted is in error. It was not meant to exempt class 1 racing associations conducting handicapping contests from the laws and regulations of the Horse Racing Commission. The intent of the bill was to exempt class 1 racing associations conducting handicap contests from the law regulating the Gambling Commission rules and regulations in an effort to enable the track to engage in parimutuel handicapping contests and charge a fee to defray the costs of conducting the event.

The Washington Horse Racing Commission recommends that RCW 9.46.0237 be amended to include handicapping contests in addition to parimutuel betting as being regulated by chapter 67.16 RCW. These changes would clarify the regulatory authority by the Washington Horse Racing Commission.

**Testimony Against:** None.

**Persons Testifying:** Ron Crockett, Susie Sourwine, and Jim Halstrom, Northwest Racing Association Emerald Downs.

**Persons Signed In To Testify But Not Testifying:** None.